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Div. of Oil, Gas & Mining

July 21, 2010

Mr. Lantz Indergard, P.G. Environmental Manager Lisbon Valley Mining Company P.O. Box 248 920 S County Road 313 La Sal, UT 84530

Dear Mr. Indergard:

Subject:

Approval to Place Ore on Retreat 10 (Stage 3 First Retreat)

On May 22, 2007, the Division of Water Quality (DWQ) approved design changes requested for the Lisbon Valley Mining Company Stage 3 and 4 Heap Leach Facility Expansion. Construction of the earthwork and liner system for Stage 3 was completed during the summer and fall of 2007. However, the completed construction was not inspected or approved at that time, and therefore was not put into use. Lisbon Valley Mining Company is now ready to put this liner system into use. Because the liner did not have any protective cover, Mr. Indergard explained that a thorough inspection of the liner was completed and a few repairs were required. Areas where holes were identified during the inspection were cutout and a patch was installed. Areas that had dimples and significant scratching were also repaired by extruding a bead of HDPE on the area in question.

On July 8, 2010, I completed a final inspection of Retreat 10, which is the first retreat of Stage 3 Heap Expansion. During this final inspection, I observed all of the patches and repairs and completed an extensive walk-over of Retreat 10. Because the patches had not been tested with a vacuum box, I recommended that a vacuum box be acquired and that any patches or repairs be tested. Lisbon Valley Mining Company has indicated that a vacuum box has been ordered and all patches and repairs will be tested and documented.

A review of the As-Built Construction Quality Assurance and Quality Control (CQA\QC) Report was prepared for all testing that was completed and documented as required. Based on a review of the construction certification documentation and the final inspection, DWQ hereby approves the use of Retreat 10. Since the repairs for Retreats11 and 12 have not yet been completed, those retreats cannot be approved at this time and will need to be inspected and approved at a later date.

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If you have any questions about this letter please contact me at www.ampbell@utah.gov or (801) 536-4353.

Sincerely,

Woodson W. Tumpbell

Woodrow W. Campbell, P.E. Environmental Engineer Ground Water Protection Section

WWC/RFH

Cc:

David Ariotti, SE District Engineer SE Public Health Department

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